UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr.
LIMITED

TD/B(XXXVIII)/SC.2/L.1/Add.2
3 October 1991

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Thirty-eighth session, first part
Geneva, 23 September 1991
Agenda items 8 (a) and 8 (b)

DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. Alexii RYBAK (Ukraine)

Addendum

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GE.91-51805/1802H

Chapter II

REPORT OF THE SECRETARY-GENERAL OF UNCTAD IN ACCORDANCE WITH CONFERENCE RESOLUTION 137 (VI) CONCERNING LAND-LOCKED DEVELOPING COUNTRIES

(Agenda item 8 (b))

22. For its consideration of this item, Sessional Committee II had before it the following documentation:

Progress in the implementation of specific action related to the particular needs and problems of land-locked developing countries - report by the UNCTAD secretariat (TD/B/1301 and Add.1 and 2);

Texts of selected resolutions and decisions of the General Assembly and the Trade and Development Board (TD/B(XXXVIII)/CRP.1).

23. In introducing this agenda item, the Director of the Special Programme for Least Developed, Land-Locked and Island Developing Countries summarized the secretariat report before Sessional Committee II, which had been prepared in response to General Assembly resolution 44/214 and Conference resolution 137 (VI). He noted that the report, after briefly assessing the current transit-transport situation in the developing regions and subregions, analysed recent developments and problems in individual land-locked developing countries. It also outlined the actions which should be undertaken by both the countries themselves and the international community in specific areas in order to improve the transit-transport situation in these countries. The analytical part of the report was supplemented by a summary of replies from governments, international organizations and intergovernmental bodies regarding their actions on behalf of the land-locked developing countries, as well as by information on UNCTAD's own work on these countries.

24. In connection with the heavy burden of additional transport costs that land-locked countries had to bear, he noted that, according to the information available to the secretariat, a significant portion of the earnings from exports of goods and services was absorbed by payments to foreign carriers for transport services. In some extreme cases such payments, which included higher insurance and demurrage charges, amounted to as much as 50 per cent of their export earnings.

25. With respect to the priority areas for action, these included the rehabilitation, maintenance and improvement of physical infrastructures such as railways, roads, ports and warehouses along the transit corridors; improvements in their management; the development of air cargo handling capacities and surface distribution systems; the promotion of regional arrangements for air cargo operations; the expansion of communications systems, particularly between ocean ports and inland destinations in the land-locked developing countries; the streamlining of transit documentation and customs procedures related to the movement of transit cargo; and the improvement of coordination arrangements between all relevant institutions involved in transit-traffic operations in both the private and public sectors. Effective action in these fields would require cooperation between land-locked countries and their transit neighbours at bilateral and subregional levels as well as expanded financial and technical assistance from donors.

26. Referring to UNCTAD's technical assistance activities on behalf of the land-locked countries, he said that UNCTAD had been helping these countries and their transit neighbours through its technical cooperation programme, with financing from UNDP and USAID, to improve transit facilities in Southern, East-Central and West-Central Africa. The project activities focused on dry port development; trade facilitation; bilateral road transit agreements; the development of alternative transit routes; and the development of an advance cargo information system (ACIS) along the major transit corridors. In the Asian region, where UNCTAD - with UNDP financing - had provided technical assistance advisory services to the land-locked countries, a number of the recommendations made had been implemented by the countries themselves and the donor community.

27. He assured the Committee that the UNCTAD secretariat stood ready to assist the land-locked and transit countries in their efforts to improve transit facilities for the trade of land-locked developing countries through technical cooperation and through the promotion of a cross-regional interchange of information and experience in cooperation with regional and subregional organizations both within and outside the United Nations system.

28. The representative of Bolivia noted that the particular problems facing the land-locked developing countries, which were related to the lack of sovereign access to the sea, had an adverse impact on all aspects of development in those countries, and particularly on foreign trade. He referred to the enormous efforts being made by Bolivia to improve the transit-transport infrastructure facilities along the transit routes to the ocean ports on the Pacific and Atlantic oceans. The projects in question were being implemented in collaboration with the respective transit countries. He emphasized, however, that such efforts could not be a substitute for Bolivia's inalienable territorial right of sovereign and useful access to the Pacific ocean.

29. The representative of China commended the secretariat report for the excellent background information it provided on the particular difficulties and needs of the land-locked developing countries. The report also outlined priority areas for action by the international community and put forward useful suggestions for measures to be undertaken in those areas.

30. She noted that the land-locked developing countries, many of which were also classified as least developed, faced serious development problems, accentuated by these countries' lack of territorial access to the sea and remoteness from world markets. Consequently, they had to bear heavy transport costs which, added to their external debt burden and the deterioration in their terms of trade, had seriously affected their economic growth.

31. During the 1980s, the land-locked countries had made great efforts to improve their economic situation and the international community had also made efforts accordingly. Such efforts should be further encouraged through the continued support of the international community. The land-locked developing countries needed to formulate a long-term strategy designed to alleviate their particular problems, and to strengthen their cooperation with the transit countries concerned, through bilateral consultations, in the solution of the transit problems that could stand to benefit both groups. Developed countries in a position to do so and financial institutions, whether multilateral or bilateral, should also continue to provide assistance to improve transit-transport infrastructure facilities of all land-locked developing countries, including those transit developing countries that required assistance. Finally, she referred to the recently signed agreement between China and Mongolia designed to facilitate Mongolia's access to the sea.

32. The representative of Uganda noted that the report by the UNCTAD secretariat made a valuable asessment of the transit-transport situation in the different regions and subregions. The range of problems faced by land-locked developing countries and their transit neighbours covered such areas as inadequate transit-transport infrastructure facilities and services, poor management of transit-transport operations, cumbersome customs procedures in the clearing of transit goods, poor communications along the transit corridors, and weak institutional arrangements for implementing effective transit-traffic policies. In order to overcome these problems the land-locked countries and their transit neighbours urgently needed further support by the international community.

33. Referring to the efforts made by the Government of Uganda to alleviate its transit-transport problems, he noted that, together with Kenya, Burundi, Rwanda and Zaire, Uganda was a co-signatory of the Northern Corridor Transit Agreement, designed to improve transit-transport facilities and services. Uganda was also a co-sponsor of the UNDP/UNCTAD transit-transport project to improve the transit system within the East-Central African subregion, and had a working agreement with the United Republic of Tanzania which provided an alternative route through the port of Dar-es-Salaam.

34. With respect to the work of the UNCTAD secretariat on behalf of the land-locked countries and their transit neighbours, he said it was essential to strengthen the Special Programme in the secretariat dealing with the problems of land-locked developing countries. The increased support should be aimed at enabling the Special Programme to carry out more in-depth policy studies which would make it possible to provide more effective policy advice and technical assistance to land-locked countries and their transit neighbours. The UNCTAD secretariat should also be further assisted to play a more effective role as a focal point for mobilizing international support at a global level.

35. In concluding, he wished to commend, on behalf of his Government, the efforts of the World Bank and EEC in supporting the projects of the Northern Corridor and improving its transport system connecting it to the ports of Mombasa and Dar-es-Salaam.

Action by Sessional Committee II

36. At its 2nd meeting, on 27 September 1991, Sessional Committee II took note of the report of the secretariat as contained in documents TD/B/1301 and Add.1 and 2, as well as of the comments made thereon.